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Federal Old Age and Survivor Insurance

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FEDERAL OLD AGE AND SURVIVOR INSURANCE

Examples of benefits payable

By JOAN A. OLSON, *Detroit*

Retirement benefits are payable monthly to the "fully insured" wage earner when he retires at 65 or later, to his wife when she is 65 and to his unmarried children under 18. To become "fully insured" the wage earner must have been paid \$50 in *covered* employment in at least half the calendar quarters between January 1, 1937 (or the time he became 21, if later) and his 65th birthday, or the date of his death. No one with less than 6 quarters coverage can become "fully insured." Once having acquired 40 quarters coverage one is "fully insured" for life. However, the *amount* of benefits is based on average monthly wage plus an additional amount for each year in which worker was paid at least \$200 in jobs covered by the law.

Survivors' benefits of "fully insured" workers are payable to children under 18; to widow with child in her care, until youngest child is 18 (payments resume when widow is 65); to widow without child in her care, when she is 65, if not remarried; to parents over 65, chiefly dependent on wage earner at time of his death, provided worker left neither widow nor child entitled to benefits. Monthly benefits are also payable for children under 18 and to widow with such children in her care when worker was only "currently insured", that is, had worked in *covered* employment about half the last three years of his life. *Lump sum* death benefit of worker, either fully or currently insured, is payable when there is no survivor immediately eligible for monthly benefits.

Primary insurance benefit (PIB) is figured at 40% of the first \$50 of average monthly wage, plus 10% of remainder, plus 1% for each year in which paid at least \$200 in covered employment. A widow's monthly payment is $\frac{3}{4}$ husband's PIB. For all others it is $\frac{1}{2}$ his PIB. The lump sum benefit is 6 times the PIB. Minimum monthly benefit paid to a family on one worker's account is \$10. Maximum is \$85, or twice the PIB or 80% of the worker's average monthly wage, whichever is least. To a person eligible for more than one benefit the larger amount is paid. Benefits are suspended for any month in which one earns more than \$14.99 in *covered* employment. A worker or beneficiary is advised by the field office as to the best

course in applying for benefits. At 65 a worker should get in touch with the nearest Social Security Administration field office, whether retiring or not, as delay in filing claim may result in lower benefits later. A widow with six children may be advised to apply for benefits for the four youngest, so that she and the two older children may work in covered jobs.

Some changes took effect on January 1, 1947, such as retroactive benefits. The August amendments include one protecting the survivors of the qualified veteran who died within three years of the date of his discharge, by giving ex-servicemen a "fully insured" status with an average monthly wage credit of \$160 and additional percentage for each year of at least 30 days active service after September 16, 1940.

A wage earner may get a statement of his or her account by writing Social Security Administration, Candler Building, Baltimore 2, Maryland. It is well to do so yearly. Some errors cannot be corrected after 4 years. Literature and answers to questions on the subject may be obtained at any field office.

The October 12 issue of "Colliers" contained an article "*Protect That Pension*" by Congressman A. S. Mike Monroney explaining why he deems it necessary to graduate the social security tax rate to 3% as scheduled in the original Act. He discussed possible expansion of benefits to cover the two out of five persons not now protected and retirement pay for extended or permanent disability. Medical care is another potential coverage.

IN MEMORIAM

(continued from page 8)

tor of the Winecoff, was quite prominent in business and civic affairs of her city and had just been elected vice-president of the Women's Chamber of Commerce.

Edith Lindholm

Chicago chapter lost a valued member through the death of Edith Lindholm in October.

Marion Lowes

Marion Lowes, who died quite suddenly in November, is mourned by her many friends in the Grand Rapids chapter.